



**CONFIDENTIAL**

CONFIDENTIAL

50X1-HUM

Electric Power and Manufacturing Industry

The development of the people's economy in North Korea has increased rapidly the demand for electricity, power-driven machines and electric appliances. To attain maximum production of electric power, over 80 major improvement projects were undertaken during 1949, including: repair of Pujon Gang (R) generating station at Hamgyong Namdo; construction of Tongno Gang generating station at P'yongan Pukto; reconstruction of Puryong No 2 generating station at Hamgyong Pukto; construction of Sup'ung dam at P'yongan Pukto; construction of Kangso Electric Appliance Factory at P'yongan Namdo.

At a cost of 200 million won, 810,000 workers, 30,000 cubic meters of cement, and 30,000 cubic meters of stone were used for the construction of a dam apron for the Sup'ung generating station. The work was completed on 16 May 1949. Reconstruction of Puryong No 2 generating station, started in March 1949, was 73 percent completed by July 1949; a 6,000 kilowatt-generator is expected to be in operation by 1950.

The Kangso Electrical Appliances Plant will be the largest of its kind in Korea when completed. This plant will manufacture electric motors, transformers, switches, and scores of other items. The work is now progressing for construction of 13 smaller plants including a metal-rolling mill, a large-size transformer manufacturing plant, and a tooling-machines plant. The transformer manufacturing plant was nearly completed in July 1949.

For other electrical industry projects a total of one million man-hours and 500 million won will be expended.

Mining Industry

In order to increase coal production, over 300 basic improvement projects were undertaken, including installation of coal-carrier tracks, increasing the number of pneumatic tools, construction of coal grading yards etc.

Over 340 improvement projects are in progress at 25 ore mines, including mines at:

Sunghwa (Songch'on, P'yongan Namdo)

Manp'o (Kangge, Hamgyong Namdo)

Kosong (Kangwon Do)

Multong, Koksang, Sinyon, Ch'angdo, Hasong, Chaeryong, (Hwanghae Do)

Nakyon [Hwanghae Do?]

Ch'onna [?]

Hamhung, Komdok, Chungtaeni, Tanch'on (Hamgyong Namdo)

Musan (Hamgyong Pukto)

Taesong, Sunan (P'yongyang Namdo)

The Presidium of the People's Republic has appropriated 897,810,000 won for production of iron ore, sulphide, tungsten, lead, gold, silver, copper, zinc, and nickel, for the Two-Year Program.

- 2 -

CONFIDENTIAL

**CONFIDENTIAL**

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Metal Industry

Over 120 basic construction projects were undertaken during 1949. The most important projects include repairing the 350-ton blast furnace of the Hwanghae Iron Works in Hwanghae Do, and the 500-ton blast furnace of the Ch'ongjin Iron Works in Hamgyong Pukto, as well as construction of new zinc plants in Munp'yong, Hamgyong Namdo. Also included are the construction of three small-size and one medium-size spring manufacturing plants, one sheet-metal manufacturing plant, and one rolling-stock plant in Chinnamp'o, P'yongan Pukto.

At the Hwanghae Iron Works, 14 major projects were undertaken in 1949. Restoration of the 350-ton blast furnace, the most important project, was completed on 17 July 1949, with 18,000 man-hours and 1,200 tons of bricks expended. Other projects include repairing a coke furnace, construction of two new open-hearth furnaces, a small and a medium plant, and a sheet-metal plant. The output of pig iron at the Hwanghae Iron Works during 1949, increased to 188.9 percent of that of 1948.

At the Ch'ongjin Iron Works, repairs for the 500-ton blast furnace are scheduled to be completed by December 1949. Repair of 57 units of coke furnaces was completed in August 1949. Construction of the fire-proof materials manufacturing plant is 95 percent complete.

At the Songjin Steel Works in Hamgyong Pukto, construction of the wire-cable manufacturing plant is now 72 percent complete. Construction of the rolling-stock mill at the Kangson Steel Works in Hamgyong Namdo is scheduled to be completed in December 1949.

Machinery Industry

Some 130 expansion and improvement projects were undertaken during 1949 for the machine industry. Of these, the Central Machine Works undertook nine major projects, including construction of an operation plant, a casting plant, and a wood-pattern plant, etc. The Central Machine Works specializes in manufacturing of tooling machines.

The Yongsong Machine Works [near Hamhung, Hamgyong Namdo] undertook 14 projects including construction of a 1,000-ton press plant, and seven other new plants including iron and steel casting plants. All these projects are expected to be completed by the end of 1949.

The Songjin Machine Manufacturing Plant in Hamgyong Pukto specializes in manufacturing stone crushing machinery; the Munch'on Machine Manufacturing Plant in Hamgyong Namdo, mining machines; Pukchung Machine Plant, rolling-stock; and the Sunch'on Machine Plant in P'yongan Namdo, meters and gauges. The Sunch'on Machine Plant has a total floor space of 66,000 square meters.

Chemical Industry

Over 100 basic construction projects were undertaken for the chemical industry during 1949. Among these, the most important was the construction of an ammonium sulphate manufacturing plant at the Hungnam Fertilizer Plant, at a cost of 170 million won. This work began in January 1949, and with 25 other projects, it is scheduled to be completed by July 1949.

The Ponkung Chemical Plant completed construction of a liquid chlorine plant in July 1949. The Ch'ongsu Chemical Plant also accomplished good results during 1949. The Namp'o Soda Factory will produce sodium hydroxide and sodium carbonate on completion of construction in March 1950.

The Aoji Synthetic Petroleum Plant in Hamgyong Pukto is expected to be in operation by October 1949. The operation of this plant would be of tremendous significance for the People's Republic, which suffers from a shortage of liquid fuels.

- 3 -

CONFIDENTIAL

CONFIDENTIAL

**CONFIDENTIAL**

CONFIDENTIAL

50X1-HUM

Building Materials

Over 70 basic improvement projects were undertaken during 1949 for the cement and other building materials industries.

The Haeju Cement Factory in Hwanghae Do undertook nine projects during 1949, including the installation of three additional compressors, construction of a lime-drying furnace, and an electric transformer station. The Komusan Cement Factory in Hamgyong Pukto recently installed a revolving furnace having a 350-ton daily output capacity. This factory also installed new pulverizers, and completed six basic development projects during 1949.

The Sungho-ri Cement Factory in Hwanghae Do restored a dry process plant in June 1949. The construction of the Namp'o Plate Glass Factory, started in May 1948, was 88 percent complete as of 17 August 1949.

Shipbuilding

Construction of a 1,000-ton dock and a slip-way for 1,000-ton class vessels is in progress at the Wonsan Shipbuilding Yard.

USSR FURNISHES MACHINERY, MATERIALS, TECHNICIANS -- Vneshnyaya Torgovlya, May 50

A firm basis for a successful development of Russo-North Korean economic relations was laid on 17 March 1949 when the Soviet Union and the Democratic People's Republic of Korea signed the Russo-North Korean Economic and Cultural Pact covering: (1) a trade and payments agreement providing for a substantial increase in trade in 1949 and 1950, (2) an agreement providing for credit to pay for Soviet goods supplied in excess of what was stipulated in the trade and payments agreement, (3) an agreement on technical aid to the People's Republic.

In accordance with the specified agreements, the Soviet Union supplied the People's Republic with the machinery and materials required for the development of industry and also sent technical specialists there to rebuild North Korean industry, and rendered a great deal of assistance in planning new factories and creating new branches of industry. Trade between the USSR and the People's Republic in 1949 was more than three and one half times of that of 1946.

- E N D -

- 4 -

CONFIDENTIAL

**CONFIDENTIAL**